

FISCAL NOTE

HB 1277 – SB 2030

March 13, 2007

SUMMARY OF BILL: Increases from two (2) to three (3) the maximum number of censuses allowed between decennial federal censuses, to determine local government populations, for the purpose of certain state tax allocations and/or annexation.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Approximately \$2,900,000 is estimated to shift from local governments whose populations are decreasing to local governments whose populations are increasing. In addition, there would be permissive increases to local government expenditures for any costs related to additional censuses taken as a result of this bill. The permissive increase to local government expenditures is estimated to be \$30,000 per additional census.

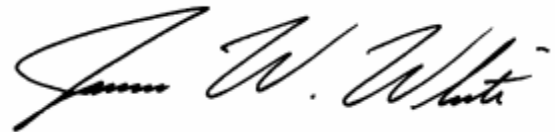
Assumptions:

- Currently, a census is required to be conducted either by the federal Bureau of the Census or in a manner approved by the state planning office.
- According to the Department of Revenue, allocations to local governments for portions of the gasoline tax, motor fuels tax, special petroleum tax, alcoholic beverages tax, beer tax, sales tax, and TVA payments in-lieu-of taxes, are all based on population estimates as determined by census. As a result, state tax collections that are apportioned to local governments could be reapportioned based on any newly derived population estimates.
- Based on information received from several state departments and/or agencies, the total amount of state tax revenue that would be reapportioned would not change.
- According to the Office of the Comptroller, certain local jurisdictions would benefit by approximately \$2,900,000 at the expense of other local jurisdictions.

- Local jurisdictions with increasing populations benefit at the expense of local jurisdictions with decreasing populations.
- Authorizing one additional census would increase local government expenditures by the cost of conducting any additional census.
- Based on information obtained from the Municipal Technical Advisory Service (MTAS), the cost for conducting an additional census will vary depending upon the extent of field work required (number of random samples, number of respondents, surveys, questionnaires, etc.) to obtain a certifiable estimate. MTAS estimates this range to be between \$2 and \$4 per survey respondent.
- An average of 10,000 survey respondents for each additional census taken.
- Based on information provided by MTAS, the average cost for conducting an additional census is estimated to be \$30,000 (10,000 respondents X \$3 average cost = \$30,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director